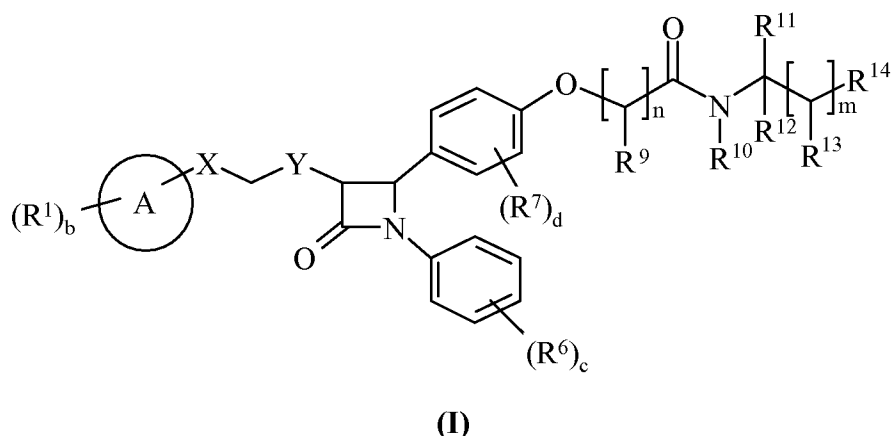


In the Claims:

The current status of all claims is listed below and supersedes all previous lists of claims.

Please add new claims 45-47 as follows:

1. (previously presented) A compound of formula **(I)**:



wherein:

Ring A is selected from phenyl or thienyl;

X is selected from $-\text{CR}^2\text{R}^3-$, $-\text{O}-$, $-\text{NR}^x-$ and $-\text{S}(\text{O})_a-$; wherein R^x is hydrogen or C_{1-6} alkyl, and a is 0-2;

Y is selected from $-\text{CR}^4\text{R}^5-$, $-\text{O}-$, $-\text{NR}^z-$ and $-\text{S}(\text{O})_a-$; wherein R^z is hydrogen or C_{1-6} alkyl, and a is 0-2; wherein there is at least one $-\text{CR}^2\text{R}^3-$ or $-\text{CR}^4\text{R}^5-$ group;

R¹ is independently selected from halo, hydroxy, C_{1-6} alkyl, C_{1-6} alkoxy and $\text{C}_{1-6}\text{alkylS}(\text{O})_a$ wherein a is 0 to 2; wherein R^1 is independently optionally substituted on carbon by one or more halo, C_{1-6} alkoxy and hydroxy;

b is 0-3; wherein the values of R^1 may be the same or different;

R² and **R³** are independently selected from hydrogen, hydroxy, C_{1-6} alkyl, C_{1-6} alkoxy and $\text{C}_{1-6}\text{alkanoyloxy}$; wherein R^2 and R^3 may be independently optionally substituted on carbon by one or more halo or hydroxy; or R^2 and R^3 together form an oxo group;

R⁴ and **R⁵** are independently selected from hydrogen, hydroxy, C_{1-6} alkyl, C_{1-6} alkoxy and $\text{C}_{1-6}\text{alkanoyloxy}$; or R^4 and R^5 together form an oxo group;

R⁶ is independently selected from halo, nitro, cyano, hydroxy, amino, carboxy, formyl, carbamoyl, carbamoyloxy, mercapto, sulphamoyl, C₁₋₆alkyl, C₂₋₆alkenyl, C₂₋₆alkenyloxy, C₂₋₆alkynyl, C₁₋₆alkoxy, C₁₋₆alkanoyl, C₁₋₆alkanoyloxy, *N*-(C₁₋₆alkyl)amino, *N,N*-(C₁₋₆alkyl)₂amino, C₁₋₆alkanoylamino, C₁₋₆alkanoyl-*N*-(C₁₋₆alkyl)amino, C₁₋₆alkylsulphonylamino, C₁₋₆alkylsulphonyl-*N*-(C₁₋₆alkyl)amino, *N*-(C₁₋₆alkyl)carbamoyl, *N,N*-(C₁₋₆alkyl)₂carbamoyl, *N*-(C₁₋₆alkyl)carbamoyloxy, *N,N*-(C₁₋₆alkyl)₂carbamoyloxy, C₁₋₆alkylS(O)_a wherein a is 0 to 2, C₁₋₆alkoxycarbonyl, C₁₋₆alkoxycarbonylamino, C₁₋₆alkoxycarbonyl-*N*-(C₁₋₆alkyl)amino, C₁₋₆alkoxycarbonyloxy, C₁₋₆alkoxycarbonylamino, ureido, *N'*-(C₁₋₆alkyl)ureido, *N*-(C₁₋₆alkyl)ureido, *N',N'*-(C₁₋₆alkyl)₂ureido, *N'*-(C₁₋₆alkyl)-*N*-(C₁₋₆alkyl)ureido, *N',N'*-(C₁₋₆alkyl)₂-*N*-(C₁₋₆alkyl)ureido, *N*-(C₁₋₆alkyl)sulphamoyl, *N,N*-(C₁₋₆alkyl)₂sulphamoyl and phenyl; wherein **R⁷** is independently optionally substituted on carbon by one or more halo, C₁₋₆alkoxy, hydroxy, amino, carboxy, C₁₋₆alkoxycarbonyl, carbamoyl, *N*-(C₁₋₆alkyl)carbamoyl, *N,N*-(C₁₋₆alkyl)₂carbamoyl, C₁₋₆alkanoylamino, C₁₋₆alkanoyl-*N*-(C₁₋₆alkyl)amino, phenyl, phenoxy, benzoyl, phenylC₁₋₆alkyl and phenylC₁₋₆alkoxy;

c is 0-5; wherein the values of **R⁶** may be the same or different;

R⁷ is independently selected from halo, hydroxy, cyano, carbamoyl, ureido, amino, nitro, carboxy, carbamoyl, mercapto, sulphamoyl, trifluoromethyl, trifluoromethoxy, methyl, ethyl, methoxy, ethoxy, vinyl, allyl, ethynyl, methoxycarbonyl, formyl, acetyl, formamido, acetylamino, acetoxy, methylamino, dimethylamino, *N*-methylcarbamoyl, *N,N*-dimethylcarbamoyl, methylthio, methylsulphinyl, mesyl, *N*-methylsulphamoyl and *N,N*-dimethylsulphamoyl;

d is 0-4; wherein the values of **R⁷** may be the same or different;

R⁹ is hydrogen, C₁₋₄alkyl, carbocyclyl or heterocyclyl; wherein **R⁹** may be optionally substituted on carbon by one or more substituents selected from **R²³**; and wherein if said heterocyclyl contains an -NH- group, that nitrogen may be optionally substituted by a group selected from **R²⁴**;

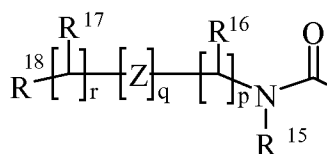
R¹⁰ is hydrogen or C₁₋₄alkyl;

R¹¹ and **R¹²** are independently selected from hydrogen, C₁₋₄alkyl, carbocyclyl or heterocyclyl; or

R^{11} and R^{12} together form C_{2-6} alkylene; wherein R^{11} and R^{12} or R^{11} and R^{12} together may be independently optionally substituted on carbon by one or more substituents selected from R^{25} ; and wherein if said heterocyclyl contains an -NH- moiety, that nitrogen may be optionally substituted by one or more R^{26} ;

R^{13} is hydrogen, C_{1-4} alkyl, carbocyclyl or heterocyclyl; wherein R^{13} may be optionally substituted on carbon by one or more substituents selected from R^{27} ; and wherein if said heterocyclyl contains an -NH- moiety, that nitrogen may be optionally substituted by one or more R^{28} ;

R^{14} is hydrogen, halo, nitro, cyano, hydroxy, amino, carbamoyl, mercapto, sulphamoyl, hydroxyaminocarbonyl, C_{1-10} alkyl, C_{2-10} alkenyl, C_{2-10} alkynyl, C_{1-10} alkoxy, C_{1-10} alkoxycarbonyl, C_{1-10} alkanoyl, C_{1-10} alkanoyloxy, N -(C_{1-10} alkyl)amino, N,N -(C_{1-10} alkyl)₂amino, C_{1-10} alkanoylamino, N -(C_{1-10} alkyl)carbamoyl, N,N -(C_{1-10} alkyl)₂carbamoyl, C_{1-10} alkylS(O)_a wherein a is 0 to 2, N -(C_{1-10} alkyl)sulphamoyl, N,N -(C_{1-10} alkyl)₂sulphamoyl, N -(C_{1-10} alkyl)sulphamoylamino, N,N -(C_{1-10} alkyl)₂sulphamoylamino, C_{1-10} alkoxycarbonylamino, carbocyclyl, carbocyclyl C_{1-10} alkyl, heterocyclyl, heterocyclyl C_{1-10} alkyl, carbocyclyl-(C_{1-10} alkylene)_e- R^{29} -(C_{1-10} alkylene)_f-, heterocyclyl-(C_{1-10} alkylene)_g- R^{30} -(C_{1-10} alkylene)_h-, carboxy, sulfo, sulphino, phosphono, -P(O)(OR³¹)(OR³²), -P(O)(OH)(OR³¹), -P(O)(OH)(R³¹) or -P(O)(OR³¹)(R³²) wherein R^{31} and R^{32} are independently selected from C_{1-6} alkyl; wherein R^{14} may be optionally substituted on carbon by one or more substituents selected from R^{33} ; and wherein if said heterocyclyl contains an -NH- group, that nitrogen may be optionally substituted by a group selected from R^{34} ; or R^{14} is a group of formula (IA):



(IA)

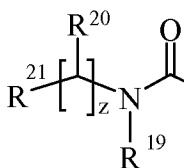
wherein:

Z is -N(R³⁵)-, -N(R³⁵)C(O)-, -O-, and -S(O)_a-; wherein a is 0-2 and R^{35} is hydrogen or C_{1-4} alkyl;

R¹⁵ is hydrogen or C₁₋₄alkyl;

R¹⁶ and **R¹⁷** are independently selected from hydrogen, halo, nitro, cyano, hydroxy, amino, carboxy, carbamoyl, mercapto, sulphamoyl, C₁₋₆alkyl, C₂₋₆alkenyl, C₂₋₆alkynyl, C₁₋₆alkoxy, C₁₋₆alkanoyl, C₁₋₆alkanoyloxy, *N*-(C₁₋₆alkyl)amino, *N,N*-(C₁₋₆alkyl)₂amino, C₁₋₆alkanoylamino, *N*-(C₁₋₆alkyl)carbamoyl, *N,N*-(C₁₋₆alkyl)₂carbamoyl, C₁₋₆alkylS(O)_a wherein a is 0 to 2, C₁₋₆alkoxycarbonyl, *N*-(C₁₋₆alkyl)sulphamoyl, *N,N*-(C₁₋₆alkyl)₂sulphamoyl, carbocyclyl, heterocyclyl, sulpho, sulphino, amidino, phosphono, -P(O)(OR³⁶)(OR³⁷), -P(O)(OH)(OR³⁶), -P(O)(OH)(R³⁶) or -P(O)(OR³⁶)(R³⁷), wherein R³⁶ and R³⁷ are independently selected from C₁₋₆alkyl; wherein R¹⁶ and R¹⁷ may be independently optionally substituted on carbon by one or more substituents selected from R³⁸; and wherein if said heterocyclyl contains an -NH- group, that nitrogen may be optionally substituted by a group selected from R³⁹;

R¹⁸ is selected from hydrogen, halo, nitro, cyano, hydroxy, amino, carbamoyl, mercapto, sulphamoyl, hydroxyaminocarbonyl, C₁₋₁₀alkyl, C₂₋₁₀alkenyl, C₂₋₁₀alkynyl, C₁₋₁₀alkoxy, C₁₋₁₀alkanoyl, C₁₋₁₀alkanoyloxy, *N*-(C₁₋₁₀alkyl)amino, *N,N*-(C₁₋₁₀alkyl)₂amino, C₁₋₁₀alkanoylamino, *N*-(C₁₋₁₀alkyl)carbamoyl, C₁₋₁₀alkoxycarbonyl, *N,N*-(C₁₋₁₀alkyl)₂carbamoyl, C₁₋₁₀alkylS(O)_a wherein a is 0 to 2, *N*-(C₁₋₁₀alkyl)sulphamoyl, *N,N*-(C₁₋₁₀alkyl)₂sulphamoyl, *N*-(C₁₋₁₀alkyl)sulphamoylamino, *N,N*-(C₁₋₁₀alkyl)₂sulphamoylamino, carbocyclyl, carbocyclylC₁₋₁₀alkyl, heterocyclyl, heterocyclylC₁₋₁₀alkyl, carbocyclyl-(C₁₋₁₀alkylene)_e-R⁴⁰-(C₁₋₁₀alkylene)_f- or heterocyclyl-(C₁₋₁₀alkylene)_g-R⁴¹-(C₁₋₁₀alkylene)_h-, carboxy, sulpho, sulphino, phosphono, -P(O)(OR⁴²)(OR⁴³), -P(O)(OH)(OR⁴²), -P(O)(OH)(R⁴²) or -P(O)(OR⁴²)(R⁴³) wherein R⁴² and R⁴³ are independently selected from C₁₋₆alkyl; wherein R¹⁸ may be optionally substituted on carbon by one or more substituents selected from R⁴⁴; and wherein if said heterocyclyl contains an -NH- group, that nitrogen may be optionally substituted by a group selected from R⁴⁵; or R¹⁸ is a group of formula **(IB)**:



(IB)

wherein:

R¹⁹ is selected from hydrogen or C₁₋₄alkyl;

R²⁰ is selected from hydrogen, halo, nitro, cyano, hydroxy, amino, carboxy, carbamoyl, mercapto, sulphamoyl, C₁₋₆alkyl, C₂₋₆alkenyl, C₂₋₆alkynyl, C₁₋₆alkoxy, C₁₋₆alkanoyl, C₁₋₆alkanoyloxy, *N*-(C₁₋₆alkyl)amino, *N,N*-(C₁₋₆alkyl)₂amino, C₁₋₆alkanoylamino, *N*-(C₁₋₆alkyl)carbamoyl, *N,N*-(C₁₋₆alkyl)₂carbamoyl, C₁₋₆alkylS(O)_a wherein a is 0 to 2, C₁₋₆alkoxycarbonyl, *N*-(C₁₋₆alkyl)sulphamoyl, *N,N*-(C₁₋₆alkyl)₂sulphamoyl, carbocyclyl, heterocyclyl, sulpho, sulphino, amidino, phosphono, -P(O)(OR⁴⁶)(OR⁴⁷), -P(O)(OH)(OR⁴⁶), -P(O)(OH)(R⁴⁶) or -P(O)(OR⁴⁶)(R⁴⁷), wherein R⁴⁶ and R⁴⁷ are independently selected from C₁₋₆alkyl; where R²⁰ may be independently optionally substituted on carbon by one or more substituents selected from R⁴⁸; and wherein if said heterocyclyl contains an -NH- group, that nitrogen may be optionally substituted by a group selected from R⁴⁹;

R²¹ is selected from halo, nitro, cyano, hydroxy, amino, carbamoyl, mercapto, sulphamoyl, hydroxyaminocarbonyl, C₁₋₁₀alkyl, C₂₋₁₀alkenyl, C₂₋₁₀alkynyl, C₁₋₁₀alkoxy, C₁₋₁₀alkoxycarbonyl, C₁₋₁₀alkanoyl, C₁₋₁₀alkanoyloxy, *N*-(C₁₋₁₀alkyl)amino, *N,N*-(C₁₋₁₀alkyl)₂amino, C₁₋₁₀alkanoylamino, *N*-(C₁₋₁₀alkyl)carbamoyl, *N,N*-(C₁₋₁₀alkyl)₂carbamoyl, C₁₋₁₀alkylS(O)_a wherein a is 0 to 2, *N*-(C₁₋₁₀alkyl)sulphamoyl, *N,N*-(C₁₋₁₀alkyl)₂sulphamoyl, *N*-(C₁₋₁₀alkyl)sulphamoylamino, *N,N*-(C₁₋₁₀alkyl)₂sulphamoylamino, C₁₋₁₀alkoxycarbonylamino, carbocyclyl, carbocyclylC₁₋₁₀alkyl, heterocyclyl, heterocyclylC₁₋₁₀alkyl, carbocyclyl-(C₁₋₁₀alkylene)_e-R⁵⁰-(C₁₋₁₀alkylene)_f-, heterocyclyl-(C₁₋₁₀alkylene)_g-R⁵¹-(C₁₋₁₀alkylene)_h-, carboxy, sulpho, sulphino, phosphono, -P(O)(OR⁵²)(OR⁵³), -P(O)(OH)(OR⁵²), -P(O)(OH)(R⁵²) or -P(O)(OR⁵³)(R⁵³) wherein R⁵² and R⁵³ are independently selected from C₁₋₆alkyl; wherein R²¹ may be independently optionally substituted on carbon by one or more R⁵⁴; and wherein if said heterocyclyl contains an -NH- group, that nitrogen may be optionally substituted by a group selected from R⁵⁵;

p is 1-3; wherein the values of R¹⁶ may be the same or different;

q is 0-1;

r is 0-3; wherein the values of R¹⁷ may be the same or different;

m is 0-2; wherein the values of R^{13} may be the same or different;

n is 1-2; wherein the values of R^9 may be the same or different;

z is 0-3; wherein the values of R^{20} may be the same or different;

R²³, R²⁵, R²⁷, R³³, R³⁸, R⁴⁴, R⁴⁸ and R⁵⁴ are independently selected from halo, nitro, cyano, hydroxy, amino, carbamoyl, mercapto, sulphamoyl, hydroxyaminocarbonyl, C₁₋₁₀alkyl, C₂₋₁₀alkenyl, C₂₋₁₀alkynyl, C₁₋₁₀alkoxy, C₁₋₁₀alkanoyl, C₁₋₁₀alkanoyloxy, C₁₋₁₀alkoxycarbonyl, *N*-(C₁₋₁₀alkyl)amino, *N,N*-(C₁₋₁₀alkyl)₂amino, C₁₋₁₀alkanoylamino, *N*-(C₁₋₁₀alkyl)carbamoyl, *N,N*-(C₁₋₁₀alkyl)₂carbamoyl, C₁₋₁₀alkylS(O)_a wherein a is 0 to 2, *N*-(C₁₋₁₀alkyl)sulphamoyl, *N,N*-(C₁₋₁₀alkyl)₂sulphamoyl, *N*-(C₁₋₁₀alkyl)sulphamoylamino, *N,N*-(C₁₋₁₀alkyl)₂sulphamoylamino, C₁₋₁₀alkoxycarbonylamino, carbocyclyl, carbocyclylC₁₋₁₀alkyl, heterocyclyl, heterocyclylC₁₋₁₀alkyl, carbocyclyl-(C₁₋₁₀alkylene)_e-R⁵⁶-(C₁₋₁₀alkylene)_f-, heterocyclyl-(C₁₋₁₀alkylene)_g-R⁵⁷-(C₁₋₁₀alkylene)_h-, carboxy, sulpho, sulphino, amidino, phosphono, -P(O)(OR⁵⁸)(OR⁵⁹), -P(O)(OH)(OR⁵⁸), -P(O)(OH)(R⁵⁸) or -P(O)(OR⁵⁹)(R⁵⁹), wherein R⁵⁸ and R⁵⁹ are independently selected from C₁₋₆alkyl; wherein R²³, R²⁵, R²⁷, R³³, R³⁸, R⁴⁴, R⁴⁸ and R⁵⁴ may be independently optionally substituted on carbon by one or more R⁶⁰; and wherein if said heterocyclyl contains an -NH- group, that nitrogen may be optionally substituted by a group selected from R⁶¹;

R²⁴, R²⁶, R²⁸, R³⁴, R³⁹, R⁴⁵, R⁴⁹, R⁵⁵ and R⁶¹ are independently selected from C₁₋₆alkyl, C₁₋₆alkanoyl, C₁₋₆alkylsulphonyl, sulphamoyl, *N*-(C₁₋₆alkyl)sulphamoyl, *N,N*-(C₁₋₆alkyl)₂sulphamoyl, C₁₋₆alkoxycarbonyl, carbamoyl, *N*-(C₁₋₆alkyl)carbamoyl, *N,N*-(C₁₋₆alkyl)₂carbamoyl, benzyl, phenethyl, benzoyl, phenylsulphonyl and phenyl;

R²⁹, R³⁰, R⁴⁰, R⁴¹, R⁵⁰, R⁵¹, R⁵⁶ and R⁵⁷ are independently selected from -O-, -NR⁶²-, -S(O)_x-, -NR⁶²C(O)NR⁶³-, -NR⁶²C(S)NR⁶³-, -OC(O)N=C-, -NR⁶²C(O)- or -C(O)NR⁶²-; wherein R⁶² and R⁶³ are independently selected from hydrogen or C₁₋₆alkyl, and x is 0-2;

R⁶⁰ is selected from halo, hydroxy, cyano, carbamoyl, ureido, amino, nitro, carboxy, carbamoyl, mercapto, sulphamoyl, trifluoromethyl, trifluoromethoxy, methyl, ethyl, methoxy, ethoxy, vinyl, allyl, ethynyl, methoxycarbonyl, formyl, acetyl, formamido, acetylamino, acetoxy, methylamino, dimethylamino, *N*-methylcarbamoyl, *N,N*-dimethylcarbamoyl, methylthio, methylsulphinyl,

mesyl, *N*-methylsulphamoyl and *N,N*-dimethylsulphamoyl; and

e, f, g and **h** are independently selected from 0-2;

or a pharmaceutically acceptable salt, or a prodrug thereof.

2. (previously presented) A compound of formula **(I)** according to claim 1 wherein X is selected from -CH₂-, -CH(OH)-, -C(O)-, -O-, -S-, -S(O)- and -S(O)₂-; or a pharmaceutically acceptable salt, or a prodrug thereof.

3. (previously presented) A compound of formula **(I)** according to claim 1 wherein Y is -CH₂-, -S- or -S(O)-; or a pharmaceutically acceptable salt, or a prodrug thereof.

4. (previously presented) A compound of formula **(I)** according to any one of claims 1 to 3 wherein R¹ is halo; or a pharmaceutically acceptable salt, or a prodrug thereof.

5. (previously presented) A compound of formula **(I)** according to any one of claims 1 to 3 wherein b is 0-1; or a pharmaceutically acceptable salt, or a prodrug thereof.

6. (previously presented) A compound of formula **(I)** according to any one of claims 1 to 3 wherein R⁶ is halo; or a pharmaceutically acceptable salt, or a prodrug thereof.

7. (previously presented) A compound of formula **(I)** according to any one of claims 1 to 3 wherein c is 0-1; or a pharmaceutically acceptable salt, or a prodrug thereof.

8. (previously presented) A compound of formula **(I)** according to any one of claims 1 to 3 wherein d is 0; or a pharmaceutically acceptable salt, or a prodrug thereof.

9. (previously presented) A compound of formula **(I)** according to any one of claims 1 to 3 wherein R⁹ is hydrogen; or a pharmaceutically acceptable salt, or a prodrug thereof.

10. (previously presented) A compound of formula **(I)** according to any one of claims 1 to 3 wherein R¹⁰ is hydrogen; or a pharmaceutically acceptable salt, or a prodrug thereof.

11. (previously presented) A compound of formula **(I)** according to any one of claims 1 to 3 wherein R¹¹ and R¹² are independently selected from hydrogen, C₁₋₄alkyl or carbocyclyl; wherein R¹¹ and R¹² may be independently optionally substituted on carbon by one or more substituents selected from R²⁵; wherein R²⁵ is selected from hydroxy, amino, carbamoyl, C₁₋₁₀alkoxycarbonyl, C₁₋₁₀alkoxycarbonylamino, carbocyclyl or carboxy; wherein R²⁵ may be optionally substituted on carbon by one or more R⁶⁰; wherein R⁶⁰ is hydroxy; or a pharmaceutically acceptable salt, or a prodrug thereof.

12. (previously presented) A compound of formula **(I)** according to any one of claims 1 to 3 wherein R¹³ is hydrogen; or a pharmaceutically acceptable salt, or a prodrug thereof.

13. (previously presented) A compound of formula **(I)** according to any one of claims 1 to 3 wherein R¹⁴ is hydroxy, C₁₋₁₀alkyl, C₁₋₁₀alkoxy, C₁₋₁₀alkoxycarbonyl, carboxy or sulpho; wherein R¹⁴ may be optionally substituted on carbon by one or more substituents selected from R³³; or R¹⁴ is a group of formula **(IA)** (as depicted above in claim 1) wherein:

R¹⁵ is hydrogen;

R¹⁶ and R¹⁷ are independently selected from hydrogen, carboxy, C₁₋₆alkyl and C₁₋₆alkoxycarbonyl;

R¹⁸ is selected from hydroxy, C₁₋₁₀alkyl, C₁₋₁₀alkoxy, C₁₋₁₀alkoxycarbonyl, carboxy and sulpho;

p is 1;

q is 0;

r is 0 or 1;

m is 0 or 1;

n is 1; and

R³³ is hydroxy;

or a pharmaceutically acceptable salt, or a prodrug thereof.

14. (previously presented) A compound of formula **(I)** according to any one of claims 1 to 3 wherein m is 0 or 1; or a pharmaceutically acceptable salt, or a prodrug thereof.

15. (previously presented) A compound of formula **(I)** according to any one of claims 1 to 3 wherein n is 1; or a pharmaceutically acceptable salt, or a prodrug thereof.

16. (previously presented) A compound of formula **(I)** (as depicted in claim 1) wherein:

Ring A is selected from phenyl or thienyl;

X is selected from -CH₂-, -CH(OH)-, -C(O)-, -O-, -S-, -S(O)- and -S(O)₂-;

Y is -CH₂-, -S- or -S(O)-;

R¹ is fluoro;

b is 0-1;

R⁶ is fluoro;

c is 0-1;

d is 0;

R⁹ is hydrogen;

R¹⁰ is hydrogen;

One of R¹¹ and R¹² is hydrogen and the other is selected from hydrogen, methyl, hydroxymethyl, 2-carbamoyl ethyl, 2-(ethoxycarbonyl)ethyl, 2-carboxyethyl, 4-(*t*-butoxycarbonylamino)butyl, 4-aminobutyl, isobutyl, phenyl, 4-hydroxyphenyl and 4-hydroxybenzyl;

R¹³ is hydrogen;

R¹⁴ is hydroxy, pentyl, methoxy, ethoxycarbonyl, *t*-butoxycarbonyl, carboxy or sulpho; wherein

R¹⁴ may be optionally substituted on carbon by one or more substituents selected from R³³; or

R¹⁴ is a group of formula **(IA)** (as depicted above) wherein:

R¹⁵ is hydrogen;

R¹⁶ and R¹⁷ are independently selected from hydrogen, carboxy, C₁₋₆alkyl and *t*-butoxycarbonyl;

R^{18} is selected from hydroxy, methyl, *t*-butoxy, ethoxycarbonyl, *t*-butoxycarbonyl, carboxy and sulpho;

p is 1;

q is 0;

r is 0 or 1;

m is 0 or 1;

n is 1; and

R^{33} is hydroxy;

or a pharmaceutically acceptable salt, or a prodrug thereof.

17. (previously presented) A compound of formula **(I)** (as depicted in claim 1) selected from:

1-(4-fluorophenyl)-3-[3-(4-fluorophenyl)-3-hydroxypropyl]-4-{4-[*N*-((*R*)- α -{*N*-(*S*)-[1-(carboxy)-2-(hydroxy)ethyl]carbamoyl}benzyl)carbamoylmethoxy]phenyl}azetidin-2-one;

1-(4-fluorophenyl)-3-[3-(4-fluorophenyl)-3-hydroxypropyl]-4-(4-{*N*-[(*R*)- α -(carboxy)benzyl]carbamoylmethoxy}phenyl)azetidin-2-one;

1-(4-fluorophenyl)-3-[3-(4-fluorophenyl)-3-hydroxypropyl]-4-{4-[*N*-(carboxymethyl)carbamoylmethoxy]phenyl}azetidin-2-one;

1-(4-fluorophenyl)-3-[3-(4-fluorophenyl)-3-hydroxypropyl]-4-(4-{*N*-[*N*-(carboxymethyl)carbamoylmethyl]carbamoylmethoxy}phenyl)azetidin-2-one;

1-(4-fluorophenyl)-3-[3-(4-fluorophenyl)-3-hydroxypropyl]-4-{4-[*N*-(2-hydroxyethyl)carbamoylmethoxy]phenyl}azetidin-2-one;

1-(4-fluorophenyl)-3-[3-(4-fluorophenyl)-3-hydroxypropyl]-4-{4-[*N*-(2-methoxyethyl)carbamoylmethoxy]phenyl}azetidin-2-one;

3-(*R*)-4-(*R*)-1-(phenyl)-3-(4-fluorobenzoylmethylsulphanyl)-4-{4-[*N*-(carboxymethyl)carbamoylmethoxy]phenyl}azetidin-2-one;

3-(*R*)-4-(*R*)-1-(phenyl)-3-[2-(4-fluorophenyl)-2-hydroxyethylsulphanyl]-4-{4-[*N*-(carboxymethyl)carbamoylmethoxy]phenyl}azetidin-2-one;

3-(*R*)-4-(*R*)-1-(phenyl)-3-[2-(thien-3-yl)-2-hydroxyethylsulphanyl]-4-{4-[*N*-(carboxymethyl)

carbamoylmethoxy]phenyl}azetidin-2-one;

3-(R)-4-(R)-1-(phenyl)-3-[2-(thien-3-yl)-2-hydroxyethylsulphanyl]-4-{4-[N-((R)- α -{N-[(S)-1-(carboxy)-2-(hydroxy)ethyl]carbamoyl}benzyl)carbamoylmethoxy]phenyl}azetidin-2-one;

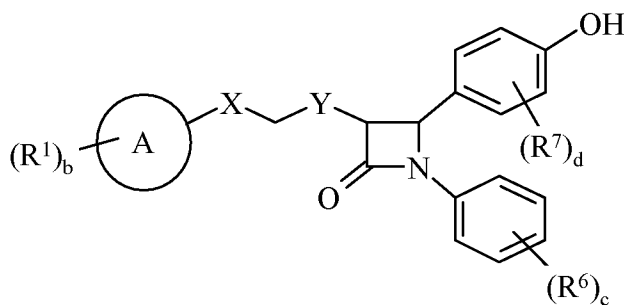
3-(R)-4-(R)-1-(phenyl)-3-(4-fluorobenzoylmethylsulphanyl)-4-(4-[N-((R)- α -{N-[(S)-1-(carboxy)-2-(hydroxy)ethyl]carbamoyl}benzyl)carbamoylmethoxy]phenyl}azetidin-2-one; and

3-(R)-4-(R)-1-(phenyl)-3-[2-(4-fluorophenyl)-2-hydroxyethylsulphanyl]-4-{4-[N-((R)- α -{N-[(S)-1-(carboxy)-2-(hydroxy)ethyl]carbamoyl}benzyl)carbamoylmethoxy]phenyl}azetidin-2-one;

or a pharmaceutically acceptable salt, or a prodrug thereof.

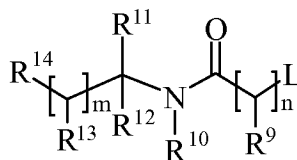
18. (previously presented) A process for preparing a compound of formula **(I)** or a pharmaceutically acceptable salt, or a prodrug thereof which process (wherein variable groups are, unless otherwise specified, as defined in claim 1) comprises of:

Process 1) reacting a compound of formula **(II)**:



(II)

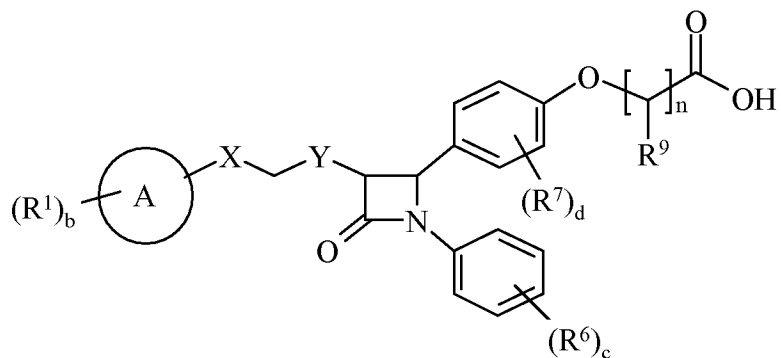
with a compound of formula **(III)**:



(III)

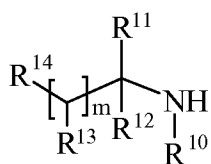
wherein L is a displaceable group;

Process 2) reacting an acid of formula **(IV)**:



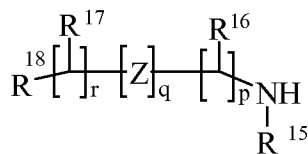
(IV)

or an activated derivative thereof; with an amine of formula (V):



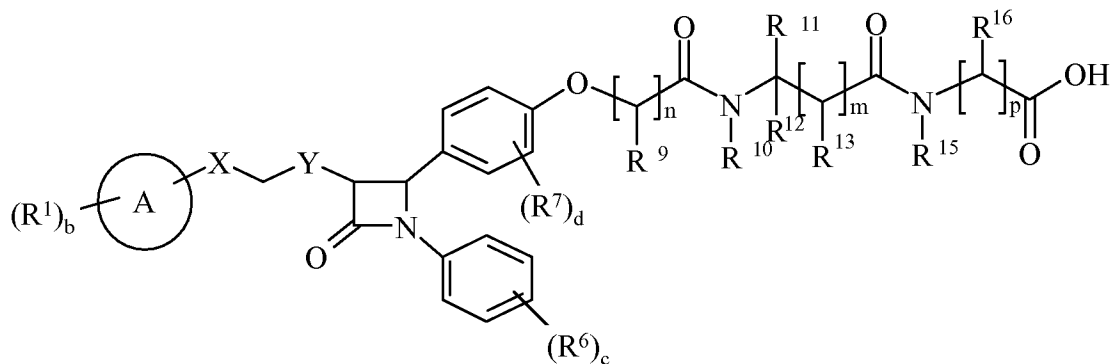
(V)

Process 3): for compounds of formula (I) wherein R^{14} is a group of formula (IA); reacting a compound of formula (VI) wherein R^{14} is carboxy, or an activated derivative thereof, with an amine of formula (VI):



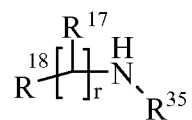
(VI)

Process 4): for compounds of formula (I) wherein R^{14} is a group of formula (IA), Z is $-N(R^{35})C(O)-$ and q is 1; reacting an acid of formula (VII):



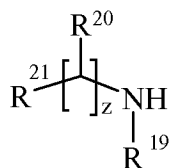
(VII)

or an activated derivative thereof; with an amine of formula (VIII):



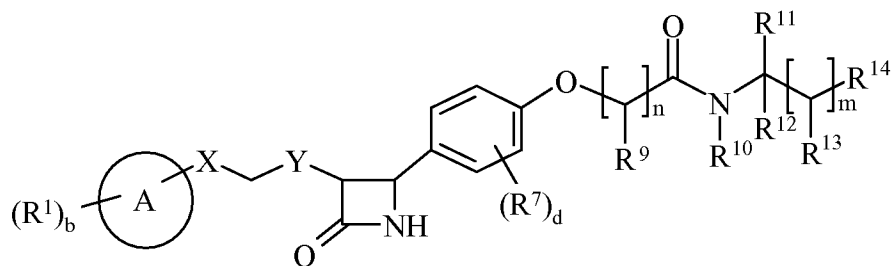
(VIII)

Process 5): for compounds of formula (I) wherein R¹⁴ is a group of formula (IA) and R¹⁸ is a group of formula (IB); reacting an acid of formula (I) wherein R¹⁴ is a group of formula (IA) and R¹⁸ is carboxy, or an activated derivative thereof, with an amine of formula (IX)



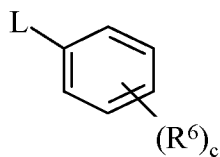
(IX)

Process 6): reacting a compound of formula (X):



(X)

with a compound of formula (XI):

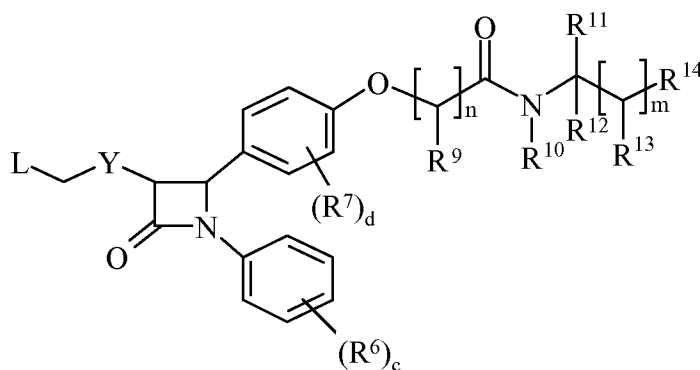


(XI)

wherein L is a displaceable group;

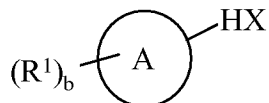
Process 7): for compounds of formula (I) wherein X is selected from -O-, -NR^x- and -S(O)_a-

wherein a is 0; reacting a compound of formula (XII):



(XII)

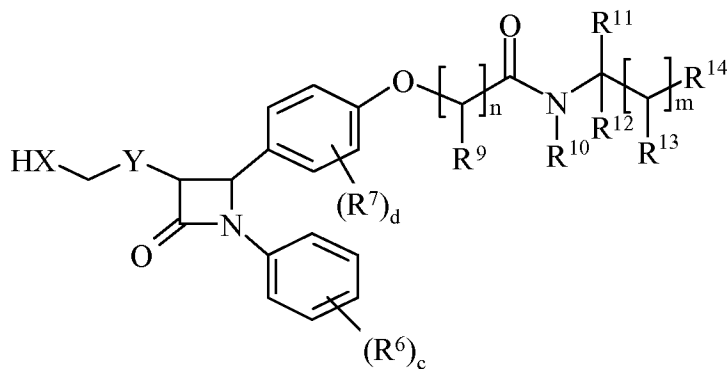
wherein L is a displaceable group; with a compound of formula (XIII):



(XIII)

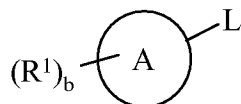
Process 8): for compounds of formula (I) wherein X is selected from -O-, -NR^x- and -S(O)_a-

wherein a is 0; reacting a compound of formula (XIV):



(XIV)

with a compound of formula (XV):

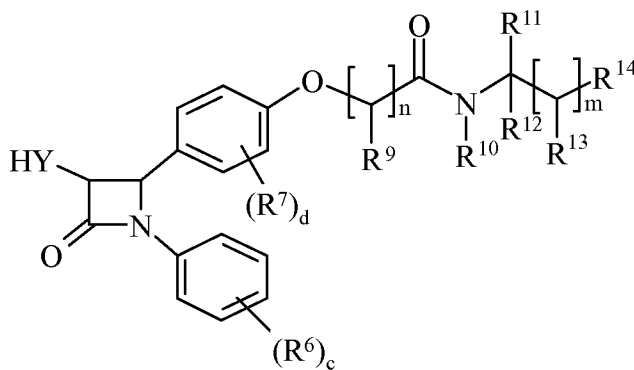


(XV)

wherein L is a displaceable group;

Process 9): for compounds of formula (I) wherein Y is selected from -O-, -NR^z- and -S(O)_a-

wherein a is 0; reacting a compound of formula (XVI):



(XVI)

with a compound of formula (XVII):

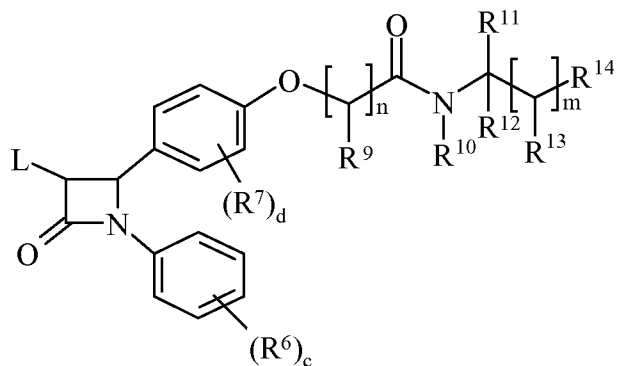


(XVII)

wherein L is a displaceable group;

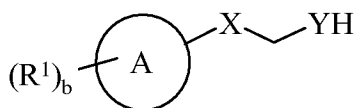
Process 10): for compounds of formula (I) wherein Y is selected from -O-, -NR^z- and -S(O)_a-

wherein a is 0; reacting a compound of formula (XVIII):



(XVIII)

wherein L is a displaceable group; with a compound of formula (XIX):



(XIX)

Process 11): for compounds of formula (I) wherein X or Y is -S(O)_a- and a is 1 or 2; oxidizing a compound of formula (I) wherein X or Y is -S(O)_a- and a is 0 (for compounds of formula (I) wherein a is 1 or 2) or a is 1 (for compounds of formula (I) wherein a is 2); and thereafter if necessary or desirable:

- i) removing any protecting groups;
- ii) forming a pharmaceutically acceptable salt, or a prodrug; or
- iii) separating two or more enantiomers.

19. (previously presented) A pharmaceutical composition which comprises a compound of formula (I), or a pharmaceutically acceptable salt, or a prodrug thereof, as claimed in any one of claims 1-3, in association with a pharmaceutically-acceptable diluent or carrier.

20-25. (canceled)

26. (previously presented) A method for producing a cholesterol absorption inhibitory effect in a warm-blooded animal in need of such treatment which comprises administering to said animal an effective amount of a compound of formula **(I)**, or a pharmaceutically acceptable salt, or a prodrug thereof, as claimed in any one of claims 1-3.

27. (previously presented) A method of treating hyperlipidaemic conditions in a warm-blooded animal in need of such treatment which comprises administering to said animal an effective amount of a compound of formula **(I)**, or a pharmaceutically acceptable salt, or a prodrug thereof, as claimed in any one of claims 1-3.

28. (previously presented) A combination of a compound of formula **(I)**, or a pharmaceutically acceptable salt, or a prodrug thereof, as claimed in any one of claims 1-3, and an HMG Co-A reductase inhibitor, or a pharmaceutically acceptable salt, or a prodrug thereof.

29. (previously presented) A combination according to claim 28 wherein the HMG Co-A reductase inhibitors is selected from fluvastatin, lovastatin, pravastatin, simvastatin, atorvastatin, cerivastatin, bervastatin, dalvastatin, pitvastatin, mevastatin and rosuvastatin, or a pharmaceutically acceptable salt, or a prodrug thereof.

30. (previously presented) A pharmaceutical composition which comprises a combination according to claim 28, in association with a pharmaceutically acceptable diluent or carrier.

31-34. (canceled)

35. (previously presented) A method for producing a cholesterol absorption inhibitory effect in a warm-blooded animal in need of such treatment which comprises administering to said animal an effective amount of a combination according to claim 28.

36. (previously presented) A method of treating a hyperlipidaemic condition in a warm-blooded animal in need of such treatment which comprises administering to said animal an effective amount of a combination according to claim 28.

37. (previously presented) The method of claim 26 wherein the warm-blooded animal is a human.

38. (previously presented) The method of claim 27 wherein the warm-blooded animal is a human.

39. (previously presented) The method of claim 35 wherein the warm-blooded animal is a human.

40. (previously presented) The method of claim 36 wherein the warm-blooded animal is a human.

41. (previously presented) A method for producing a cholesterol absorption inhibitory effect in a warm-blooded animal in need of such treatment, which method comprises administering to said animal an effective amount of the pharmaceutical composition according to claim 30.

42. (previously presented) The method of claim 41 wherein the warm-blooded animal is a human.

43. (previously presented) A method of treating a hyperlipidaemic condition in a warm-blooded animal in need of such treatment, which method comprises administering to said animal an effective amount of the pharmaceutical composition according to claim 30.

44. (previously presented) The method of claim 43 wherein the warm-blooded animal is a human.

45. (new) A combination of a compound of formula **(I)**, or a pharmaceutically acceptable salt, or a prodrug thereof, as claimed in any one of claims 1-3, and a PPAR alpha and/or gamma agonist, or a pharmaceutically acceptable salt, or a prodrug thereof.

46. (new) A combination according to claim 45 wherein the PPAR alpha and/or gamma agonist is selected from WY-14643, clofibrate, fenofibrate, bezafibrate, GW 9578, troglitazone, pioglitazone, rosiglitazone, eglitazone, proglitazone, NN622/Ragaglitazar, BMS 298585, BRL-49634, KRP-297, JTT-501, SB 213068, GW 1929, GW 7845, GW 0207, L-796449, L-165041, and GW 2433, or a pharmaceutically acceptable salt, or a prodrug thereof.

47. (new) A combination according to claim 45 wherein the PPAR alpha and/or gamma agonist is fenofibrate, or a pharmaceutically acceptable salt, or a prodrug thereof.